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Thailand

Grain and Feed

Weekly Rice Price Update

2009

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Report Highlights:

Domestic and export prices declined significantly by 3-9 percent as foreign demand remained quiet. Prices continue to decline as rumors are circulating that the government will release old-crop white rice intervention stocks in mid April. In addition, foreign buyers expect bearish rice prices for the next several weeks given the upcoming influx of Thai rice supplies and the anticipated removal of India's rice export ban.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Mar. 30):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	860	865	870	870	870	830	-	861	862
WR 100 B	590	635	620	600	605	560	610	603	617
PB 5%	-	-	630	-	605	565	600	600	620
WR 5%	540	605	600	590	595	530	590	579	592
WR 10%	510	-	-	-	-	525	-	518	554
WR 15%	490	-	-	-	-	502	-	496	525
WR 25%	460	-	-	-	-	455	-	458	480
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	330	330	-	-	367	335	-	341	326
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 35.0 baht/U.S.\$									

Market Tone

Export prices dropped significantly by 5-9 percent, particularly for low-grade white rice and parboiled rice, due to reduced foreign demand. Most enquiries were small contracts from regular buyers for broken white and fragrant rice to African countries. Domestic prices of white rice declined by 3-8 percent as rumors are circulating that the government will release old-crop white rice intervention stocks in mid April. Exporters reportedly slowed their sourcing of domestic white rice in anticipation of the rumored intervention stock release. Old-crop intervention stocks (MY2007/08 second crops) of white rice total approximately 1.5 million tons. However, the government is expected to release the old-crop stock in small increments, possibly of around 100,000 tons, as MY2008/09 second-crop harvest is expected to yield bumper production of 6-8 million tons of paddy. More than half of this production will likely reach domestic and export markets as the current intervention program limits farmers' credit line to only 350,000 baht/farmer (\$10,000), down significantly from 500,000 baht (\$14,300) in the previous year. In addition, foreign buyers expect bearish rice prices for the next several weeks given the upcoming influx of Thai rice supplies and the anticipated removal of India's rice export ban.

The current MY 2008/09 second-crop intervention program absorbed 251,327 million tons of paddy, most of which is white rice. The program will likely reach the target of 2.5 million tons of paddy valued at 36 billion baht (\$1.0 billion) as intervention prices are 20-30 percent higher than current market prices.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
Jan 25	141,973	90,060	360	557	-35.3
Feb 1	73,513	107,614	434	739	-41.3
Feb 8	116,472	114,901	550	915	-39.9
Feb 15	113,467	111,357	664	1,110	-40.2
Feb 22	122,972	106,606	787	1,293	-39.2
Mar 1	95,657	112,142	882	1,493	-40.9
Mar 8	100,463	108,140	983	1,680	-41.5
Mar 15	104,942	106,008	1,088	1,869	-41.8
Mar 22	82,621	95,921	1,170	2,075	-43.6
Mar 29	86,141	93,542	1,256	2,307	-45.5

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Mar. 23-29, 2009 totaled 86,141 tons, up 3,520 tons from the previous week, and down 7,400 tons from the four-week moving average of 93,542 tons. Exports during Jan. 1- Mar. 29 totaled 1,256,488 tons, as compared with 2,307,071 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Mar. 25, 2009, amounted to 1,891,796 tons, down 36.2 percent from 2,966,442 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Mar. 9-13, Mar. 16-20, and Mar. 23-27, 2009 are as follows:

Movement (MT)	Mar. 9-13	Mar. 16-20	Mar. 23-27
Weekly sales	169,579	86,147	110,670
4 week sum	556,412	500,471	450,450
4 week mov. avg.	139,103	125,118	112,613
Total weekly sales	1,355,978	1,442,125	1,552,795

End of Report.